

## Message Text

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70

ORIGIN XMB-07

INFO OCT-01 EUR-25 ISO-00 EB-11 NEA-14 AID-20 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 L-03 /119 R

66602

DRAFTED BY: EXIM:JTAYLOR/LLAROCHE

APPROVED BY: EB/OCA/REP:LHPOMEROY

XMB:MARVIN M. SOLOMON

XMB:JOHN D. BIERMAN

NEA/GRK:GCHURCHILL

EB/IFD/ODF:EMLINTON

----- 001012

R 131519Z MAY 74

FM SECSTATE WASHDC

TO AMEMBASSY ATHENS

UNCLAS STATE 098430

E.O. 11652: N/A

TAGS: BPRO

SUBJECT: PARTIAL PAYMENT OF INTEREST ON SUPPLIER CREDIT  
COVERED UNDER EXIMBANK GUARANTEE PROGRAM

EXIMBANK, UNDER ITS MEDIUM-TERM BANK GUARANTEE PROGRAM,  
AUTHORIZED GUARANTEE TO FIRST AMERICAN NATIONAL BANK, NASHVILLE,  
TENN., ON DOLS 50,000 SUPPLIER CREDIT EXTENDED BY HARDWICKE-  
ETTER COMPANY, TO GREEK BUYER GEORGE MANTHOPOULOS, ATHENS,  
FOR COTTON GIN CLEANING EQUIPMENT. CREDIT IS REPAYABLE  
IN EIGHT SEMIANNUAL INSTALLMENTS WITH INTEREST AT 8 1/4  
PERCENT PER ANNUM

FIRST INSTALLMENT OF DOLS 6,450 PRINCIPAL WAS PAID, BUT ONLY  
PART OF THE INTEREST DUE WAS PAID--DOLS 268.20, THE INTEREST  
ATTRIBUTABLE TO THAT INSTALLMENT OF PRINCIPAL ONLY, RATHER  
THAN TO ENTIRE OUTSTANDING BALANCE. IN FORWARDING PAYMENT  
ON BEHALF OF PURCHASER, PIRAEUS BRANCH OF NATIONAL BANK OF  
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GREECE ADVISED THAT PAYMENT OF INTEREST ON UNPAID PRINCIPAL

BALANCE, AS REQUIRED BY EXIMBANK NOTE FORM, IS PROHIBITED UNDER GREEK LAW. FIRST PAYMENT THEREFORE ONLY INCLUDED INTEREST ON "RELATIVE PRINCIPAL AMOUNT." NBG LETTER IS DATED APRIL 11 AND BEARS REFERENCE NUMBER 192/753/351.

EXIMBANK NOT AWARE OF ANY LEGAL RESTRICTION AGAINST ITS STANDARD REQUIREMENT THAT INTEREST BE PAID ON THE OUTSTANDING PRINCIPAL BALANCE NOR HAVE WE ENCOUNTERED SIMILAR BARRIERS BEFORE. IF IN FACT EXIMBANK NOTE FORM, WHICH ENJOYS WORLD-WIDE ACCEPTANCE, IS NOT ACCEPTABLE TO GOG, EFFECT COULD BE SERIOUS OBSTACLE TO EXIMBANK-SUPPORTED SALES TO GREECE

EXIMBANK WOULD APPRECIATE EMBASSY'S APPROACHING NATIONAL BANK OF GREECE TO ASCERTAIN ITS POLICY WITH REGARD TO FOREGOING, AND BANK OF GREECE TO INQUIRE REGARDING ACTUAL PROVISIONS OF PERTINENT GREEK LAW OR BANKING REGULATIONS. RUSH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
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**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PARTIAL PAYMENT OF INTEREST ON SUPPLIER CREDIT COVERED UNDER EXIMBANK GUARANTEE PROGRAM  
**TAGS:** BPRO  
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**Type:** TE  
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